



DEPARTMENT OF HUMAN SERVICES

Wes Moore, Governor · Aruna Miller, Lt. Governor · Rafael López, Secretary

February 20, 2025

The Hon. Luke Clippinger, Chair
House Judiciary Committee
House Office Building, Room 100
6 Bladen Street
Annapolis, Maryland 21401

**RE: TESTIMONY ON HB 218 - FAMILY LAW - CHILD SUPPORT - POSITION:
FAVORABLE WITH AMENDMENTS**

Dear Chair Clippinger and Members of the Judiciary Committee:

The Maryland Department of Human Services (DHS) thanks the Committee for its consideration and respectfully requests a favorable report with our amendments for HB 218.

With offices in every one of Maryland's jurisdictions, DHS empowers Marylanders to reach their full potential by providing preventative and supportive services, economic assistance, and meaningful connections to employment development and career opportunities. HB 218 would modernize the Child Support Administration (CSA) to better serve Marylanders by making changes in three key areas: equitable child support orders, the driver's license suspension (DLS) program, and amendments to improve collection of past-due child support.

Child support has evolved nationally in its purpose, function, and use since it was first authorized in 1975 as part of the Social Security Act. It is time for Maryland law to evolve and modernize into the 21st century. HB 218 would better align Maryland's child support program with the function of child support today: supporting families by ensuring children receive the support they deserve from both of their parents. To ensure children receive the support of both parents, the bill expands collection options and streamlines enforcement tools when a parent is unwilling to pay, without punishing parents who want to pay but cannot afford to do so. Our work is meant to support parents and their families, not punish them when they're trying to make ends meet.

Summary

HB 218 would ensure the child support program operates equitably for Marylanders by excluding obligors with lower incomes from the state DLS program and capping the maximum amount of a child support payment at 25% of a parent's income. HB 218 would end Maryland's practice of recouping state costs for foster care maintenance from child support paid to custodial parents. HB 218 would also extend the statute of limitations for contempt filings to allow more time to work with non-custodial parents on meeting their obligations. The additional reforms proposed in HB 218 focus on parents who are able but unwilling to pay by authorizing collection from new forms of income, and expanding "new hire" reporting so CSA is aware of non-custodial parents working in the "gig economy" as independent contractors.

Equity

HB 218 would provide new opportunities to ensure child support orders are more equitable for Marylanders. HB 218 would:

1. Cap the maximum amount of garnishment at 25% of the non-custodial parent's income when equal to or less than the 250% of the federal poverty level, regardless of whether income is earned through W-2 wages, as a 1099-independent contractor, or from other sources. This language was crafted in collaboration with our partners in the advocacy community, including the Center for Urban Families.
2. Establish a multi-family adjustment to the child support amount to ensure all children that a parent is financially responsible to support are accounted for when determining the amount of a child support order.

When child support orders are equitable parents can avoid arrearages and enforcement actions while improving payment consistency and reliability. If arrears accrue, HB 218 would provide additional time to remove barriers to payment.

Critically, HB 218 would eliminate the diversion of child support payments to reimburse state costs of foster care when the child must experience out-of-home care. The amount of child support collected while a child is in out-of-home care is typically less than the administrative cost to perform the capture. In Washington state, a cost-effectiveness [study](#) for federal fiscal year 2018 found that for every dollar spent pursuing the child support money, the Department of Children, Youth, and Families collected only 39 cents. In addition, other [studies](#) demonstrate the financial burden on families of reimbursing foster care makes it more difficult for children experiencing out-of-home care to reunite with their parents. Eliminating the requirement to transfer child support payments to foster care reaffirms our commitment to serving the best interests of the child by promoting safe, timely, and stable family reunification - because family matters.

Improving Support and Arrears Collections

The other side of improving equity in child support is ensuring that all of an obligor's potential income sources are identified. When we have the full picture of an obligor's income it is more likely that minor children will receive the support they are owed. As evidenced by the Joint Chairmen's Report request for a monthly [Report on Child Support Services Performance](#), improvements in "Current Support Collections" and "Cases Paying Arrears" are a priority for us. Identifying additional income sources would increase child support collected for families, and thereby improve our performance on indicators that determine the amount of federal incentive funding Maryland receives.

Maryland currently collects past-due child support from lottery and casino winnings. HB 218 would add the authority to collect past-due child support from sports wagering winnings. Since January 1, 2019, CSA collected more than \$2,400,000 in child support arrears from casino and lottery winnings.

HB 218 would authorize liens for past-due child support against the net amount of a monetary award in a civil judgment. When a non-custodial parent who owes child support arrears receives a payout from a lawsuit, we would capture the lower of either an amount that satisfies the child support arrears or constitutes 25% of the net recovery from the award. Non-custodial parents would be able to settle legal fees, medical bills, and any other expenses related to the litigation before past-due child support is collected. Maryland would join 29 other states, including all of our [federal Region III child support partner states](#), in using the Insurance Services Office (ISO) Claim Search. The ISO is a comprehensive database in which participating insurers and other organizations report individual insurance claims that can be used for paying overdue child support.

Finally, HB 218 would require the Maryland Department of Labor (DOL) to include independent contractors among the standard new hires data that is already reported to CSA. [Maryland Labor and Employment Code § 8-626.1](#) requires employers to report all new employees - including 1099 independent contractors - to DOL's State Directory of New Hires. HB 218 would require the DOL to also provide 1099 hire information to us. CSA will use the data to match newly-hired 1099 independent contractors against state and national child support records. The new hire data enables us to locate parents and establish a child support order or enforce an existing order. Including independent contractors in new hire reporting to CSA reduces the burden on parents working as independent contractors by automatically updating their employment information. When employment information is current, our administrative efficiency improves by eliminating delays caused by self-reporting. Requiring DOL to report newly-hired independent contractors to CSA will drive an increase in child support collections for Maryland families, and could help children in other states with parental

ties to Maryland. Any increase in collections for families will also help improve the state's performance on key indicators used to determine federal child support incentive funds.

Driver's License Suspension Program

Currently parents are notified that they may be referred to the DLS program after child support payments are 60 days past due. Additional enforcement actions can be implemented at 120 days past due. Amendments 6 and 7 expand the timeline for obligors from 60 days of arrears to 120 days and would align all enforcement actions on the same timeline.

Under HB 218, non-custodial parents whose income is under 250% of the Federal Poverty Line would be excluded from the DLS program for one calendar year. DHS Amendment #8 directs the courts to "send a copy of the guideline calculation worksheet and the order to the child support administration." Requiring the court to send relevant information would ensure we have the income information needed to exclude the parent from the DLS program. After one year of exclusion from the DLS program, non-custodial parents would be required to provide updated income information to CSA to maintain their continued exclusion from the DLS program. When we do not have sufficient income information to exclude someone from the DLS program, we will request income verification from the parent. CSA is also working to link income data we may have when an obligor participates in a means-tested program administered by DHS. Linking income data would enable us to administratively exclude some low-income parents who are in arrears from the DLS program. HB 218 would enable us to distinguish between parents who are able but unwilling to pay child support from parents who are unable to pay child support. We believe HB 218 would increase the effectiveness of the DLS program by focusing on parents who have the means to pay their child support obligations but choose not to do so.

HB 218 differs from [HB 681](#) / [SB 15](#), in the approach taken to address the issue of driver's licenses suspensions. We absolutely agree with the sponsors of [HB 681](#) / [SB 15](#) that when a parent experiencing poverty must choose between getting to work and potential arrest for driving on a suspended license, the best interests of Maryland's children are not being served. However, the DLS program created by [HB 681](#) / [SB 15](#) would leave operational gaps limiting our ability to achieve shared policy objectives, despite the best of intentions. While HB 218 would ensure we are able to confirm the parent's current income with them, [HB 681](#) / [SB 15](#) would remove this critical opportunity for communication. We encourage parents to communicate with us so we can identify when a parent may need additional employment services or state benefits. Finally, the DLS program approach in HB 218 would ensure we remain compliant with federal laws requiring states to maintain an effective DLS program.

Conversely, [HB 681](#) / [SB 15](#) could reduce Maryland's performance on federal efficacy indicators like "Support Collections," "Cases Paying Arrears," and overall "Cost Effectiveness" that the federal government uses to prioritize the annual incentive payments it makes to all 50 states.

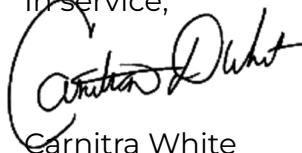
Expand Statute of Limitations for Contempt

Under current law, if a contempt action needs to be filed, it must be filed within three years of the past due date for child support arrearage or within three years after the child emancipates. HB 218 would increase the statute of limitations for filing a motion for contempt to allow the Administration additional time to work with the obligated parent and collect child support. In most instances, contempt is used as a last resort to encourage compliance. Extending the timeline provides additional time for CSA to pursue less punitive actions to encourage compliance by the non-custodial parent. CSA always prefers to take administrative action first. Extending the statute of limitations for contempt filings would benefit non-custodial parents by giving them additional time to seek non-enforcement options, such as job training and financial education. When obligors have time to improve their ability to provide support, their children are the ones who benefit. By extending the statute of limitations, HB 218 would encourage both parents by providing additional time to work within the system toward the best interests of the child.

We appreciate the opportunity to provide favorable testimony with amendments to the Committee for consideration during your deliberations. You will find our proposed amendment on the following page. We look forward to your partnership in helping us make sure to leave no one behind through your support of House Bill 218.

If you require additional information, please contact Rachel Sledge, Director of Government Affairs, at rachel.sledge@maryland.gov.

In service,

A handwritten signature in black ink, appearing to read "Carnitra White", written over a large, faint circular stamp or watermark.

Carnitra White
Principal Deputy Secretary

Proposed Sponsor Amendments

Amendment No. 1

On page 4, line 9, after “;”, strike “AND”

On page 4, line 11, strike “.” add “; **AND**” a new subsection (F)(3):

(3) HAS AN INDIVIDUAL INCOME FOR THE CURRENT YEAR NOT GREATER THAN 250% OF THE FEDERAL POVERTY GUIDELINES, THE MAXIMUM GARNISHMENT FOR THE COMBINED SUPPORT ORDER AND ARREARAGE SHALL BE 25 PERCENT OF THE OBLIGOR'S DISPOSABLE EARNINGS, UNLESS THE OBLIGOR WAS DETERMINED AT THE TIME OF THE MOST RECENT COURT ORDER TO BE VOLUNTARILY IMPOVERISHED.

Amendment No. 2

On page 5, line 13, add a new **(2) “WHEN AN OBLIGOR IS FOUND TO BE THE EQUIVALENT OF 30 DAYS OUT OF COMPLIANCE WITH THEIR CHILD SUPPORT ORDER, THE ADMINISTRATION SHALL SEND A WRITTEN NOTICE OF ARREARAGE TO THE OBLIGOR.”**

Renumber the current subsection (2) as subsection **(3)**.

Amendment No. 3

On page 9, lines 6-7, strike “WITH A NONCOMMERCIAL LICENSE”

On page 9, line 7, strike “60,” and replace with “**120**”

On page 9, lines 7-8, “**OR AN OBLIGOR WITH A COMMERCIAL LICENSE WHO IS 120 DAYS OR MORE OUT OF COMPLIANCE,**”

On page 9, line 28, strike “2024”, and replace with “**CURRENT**”.

On page 9, lines 28-29, strike “(\$37,650 per year)”

Amendment No. 4

On page 12, line 24, strike “REFERS TO THE MAXIMUM AMOUNT” and replace with “**IS EQUAL TO 25 PERCENT**”

Amendment No. 5

On page 18, on line 1, insert:

(3) FOR OBLIGORS WHOSE INDIVIDUAL INCOME FOR THE CURRENT YEAR IS NOT GREATER THAN 250% OF THE FEDERAL POVERTY GUIDELINES, THE MAXIMUM GARNISHMENT FOR THE COMBINED SUPPORT ORDER AND ARREARAGE SHALL BE 25 PERCENT OF THE OBLIGOR'S DISPOSABLE EARNINGS, UNLESS THE OBLIGOR WAS DETERMINED AT THE TIME OF THE MOST RECENT COURT ORDER TO BE VOLUNTARILY IMPOVERISHED.

On page 18, strike lines 10-15 in its entirety.

Amendment No. 6

On page 21, line 27, strike "2019", and replace with "**CURRENT**".

On page 21, line 28, strike "\$1,145"

On page 22, line 22, strike "2019", and replace with "**CURRENT**".

On page 22, line 23, strike "(LESS THAN \$1,145)"

Amendment No. 7

On page 23, line 9, create a new subsection (**B**) and renumber the remainder of the section:

(B) AFTER ESTABLISHING OR MODIFYING A CHILD SUPPORT ORDER, THE COURT SHALL SEND A COPY OF THE GUIDELINE CALCULATION WORKSHEET AND THE ORDER TO THE CHILD SUPPORT ADMINISTRATION, IF THE ADMINISTRATION IS PROVIDING CHILD SUPPORT SERVICES IN ACCORDANCE WITH PART D, SUBCHAPTER IV OF THE SOCIAL SECURITY ACT.

On page 23, lines 33-34, strike "**WITH A NONCOMMERCIAL DRIVER'S LICENSE**"

Amendment No. 8

On page 24, line 5, strike "60" and replace with "**120**"

On page 24, lines 1-3, strike ", **OR AN OBLIGOR WITH A COMMERCIAL DRIVER'S LICENSE IS 120 DAYS OR MORE OUT OF COMPLIANCE WITH THE MOST RECENT CHILD SUPPORT ORDER**"

On page 24, lines 26-28, strike "**60 DAYS OUT OF COMPLIANCE WITH THE MOST RECENT CHILD SUPPORT ORDER IF THE INDIVIDUAL HAS A NONCOMMERCIAL DRIVER'S LICENSE, OR**"

On page 24, lines 29-30, strike "**IF THE INDIVIDUAL HAS A COMMERCIAL DRIVER'S LICENSE**"